



Expires – Upon Issuance of LPP

Local Assistance Procedures Manual Chapter 10 – Consultant Selection

I. BACKGROUND

Title 23 Code of Federal Regulations (CFR), Section 172.7, referring to the administration of engineering and design related service contracts, states that “*Contracting agencies shall use the indirect cost rate established by a cognizant agency audit for the cost principles contained in 48 CFR Part 31 for the consultant.*”

To comply with 23 CFR, Section 172.7, this Office Bulletin revises Chapter 10 – *Consultant Selection* of the Local Assistance Procedures Manual (LAPM) by replacing the previous pre-award audit process with a new risk-based Architectural and Engineering (A&E) consultant audit process.

Other refinements to Chapter 10 have been made as well. Several audit-related Exhibits have been replaced, revised or newly created. The Consultant Agreement Reviewers Checklist (Exhibit 10-C) and Consultant Agreement Outline (Exhibit 10-D) have been updated to be consistent with each other and the updated chapter. References have been updated and many other technical changes have been included.

II. POLICY

This policy is in effect immediately for all projects authorized for Preliminary Engineering after July 1, 2012, and for all projects with A&E consultant contracts awarded after September 1, 2012. **Regardless of project authorization or contract award date, starting January 1, 2013, all A&E consultant contracts submitted to Caltrans Audits and Investigations will need to follow the new risk-based audit procedures contained in the revised LAPM Chapter 10 attached to this Office Bulletin.**

III. PROCEDURE

LAPM Chapter 10 – *Consultant Selection* is replaced in its entirety. The revised chapter is attached to this Office Bulletin.

IV. APPLICABILITY/IMPACTS

Applicable to all local assistance funded A&E consultant contracts.

Recommended: Original Signed By 11/30/12
David Saia, Committee Chair Date

Approved: Original Signed By 11/30/12
Ray Zhang, Chief Date
Office of Policy Development and Quality Assurance

Attachment: LAPM Chapter 10 – *Consultant Selection*